

RAG monitoring definitions

Member Major Projects Board

7th October 2022

Borough Council of
King's Lynn &
West Norfolk



Introduction

At the MMPB meeting of 26 July an overview of the RAG ratings used on the monitoring report was requested

Today will cover

- Background to previous RAG definitions used
- Overview of those now in use
- Feedback from MMPB



Background

- When the MMPB was first in place, a simpler RAG system was proposed*:

RED	AMBER	GREEN	BLUE	WHITE
Significant issues exist requiring consideration by Project or Programme Board and immediate action to be taken. Benefits – it is probable that the intended benefit will not be achieved	Some (actual or anticipated) variation from the project plan but actions in hand to maintain progress. Benefits - some of the intended benefit may not be achieved	On schedule – progress in line with agreed project plan Benefits – it is forecast that this benefit will be achieved	Project / Work Package / Benefit completed	Being developed - Project has been approved but is in Initiation Stage

* Cabinet report June 2019



Background

- Monitoring didn't effectively 'get off the ground' in 2019
- 2020-late 2021 Impact of Covid-19 pandemic
- November 2021 – update to Terms of Reference, brought in the definition that MMPB would review projects that Cabinet decided – ie the list of Major Projects
- Early 2022 – Project Accountant role in place, Corporate Projects Programme role updated – increased capacity to work on a monitoring report



Monitoring Report – work in progress

- The monitoring report brought to MMPB is work in progress and is being developed following feedback received at each MMPB meeting
- Following the list of defined projects, RAG definitions used have been reviewed
- More detailed ones proposed to assist the Board, the blue and white ratings not considered so relevant – for discussion today

BLUE	WHITE
Project / Work Package / Benefit completed	Being developed - Project has been approved but is in Initiation Stage

RAG definitions



RAG definitions currently in use

- Taken from a government monitoring return – didn't want to 'reinvent the wheel' – BUT – if not what MMPB want, can adjust / change
- This is how the information is currently presented for each Major Project:

Overall RAG rating		
Amber		
Delivery	Spend	Risk
3	4	2

- Ratings are given by the project lead



RAG Definitions					
Delivery	Score	Spend	Score	Risks	Score
Major issues causing significant delays (more than 6 months); processes interrupted or not carried out as planned (e.g. planning permission not secured); or significant changes to project. Project likely to under-deliver on forecast outputs.	5	A variance of over 50% against profiled financial forecast (total expenditure) or significant changes to project finances required (increases or decreases) due to poor or delayed delivery.	5	Programme includes projects with significant risks that are both high impact and high likelihood. Risk response not yet planned.	5
Issues arising causing long delays to the timetable (3 to 6 months) but no significant changes required to overall project. Outputs may still be deliverable but challenging.	4	A variance of between 30% & 50% against profiled financial forecast (total expenditure). Budget changes have been required due to issues with project delivery.	4	Programme includes projects with significant risks that are either high impact or high likelihood. Risk responses planned but not implemented.	4
Issues arising causing some short delays to the timetable (less than 3 months). Outputs still deliverable but require re-scheduling.	3	A variance of between 15% & 30% against profiled financial forecast Some budget changes have been required.	3	Programme includes projects with some risks that have medium impact and/or medium likelihood. Risk responses planned and implemented.	3
Minor issues have arisen causing only small delays. Project is on track to deliver outputs.	2	A variance of between 5% & 15% Small re-profiling changes to budget required.	2	Programme includes projects with some risks that have medium impact but low likelihood. Risk responses planned and implemented.	2
No problems. Project is on track to deliver outputs and keeping to schedule.	1	A variance of up to 5% . Spend is largely on track with any minor slippage expected to be picked up by end of next quarter.	1	All risks are tolerable with low impact and likelihood and do not require a response.	1

RAG definitions – questions to the Board

- Are you happy with the split into Delivery, Spend, Risk?
- Is the ‘overall RAG’ useful or should this be dispensed with?
- What changes (if any) would you like to see?

